

1 year we receive less than ten percent of our operating  
2 dollars from the Federal Corporation for Public  
3 Broadcasting. We must rely on the generous support of the  
4 local community of listeners to keep us on the air.

5 Therefore, we really do depend on the extent of  
6 the service we provide responsive to the needs and interests  
7 of our local listeners that we serve.

8 As a public broadcaster, WUNC is an editorial  
9 voice that speaks with a North Carolina accent. That is, we  
10 live and we breathe the stories we report. Local  
11 programming is personally very important to me.

12 I was moved by Congressman Price's discussion of  
13 his brief career at a 1,000 watt station, because when I  
14 became a broadcast journalist 25 years ago, the industry  
15 required each radio station to provide a minimum amount of  
16 local news and public affairs. I learned my craft at small  
17 stations just like that and practiced it in increasingly  
18 larger markets of commercial stations.

19 Although commercial stations no longer face  
20 specific local programming requirements, local news and  
21 public affairs programming remain the very foundation of  
22 public broadcasting.

23 While commercial broadcasters still do perform  
24 many valuable services, and is ably documented by the panel  
25 here this evening, we are unique in our ability as a non-

1 commercial station to dedicate enormous amounts of our time  
2 and resources to creating purely local programming.

3 The FCC can help support the strong local  
4 programming on non-commercial stations like WUNC. You can  
5 help by protecting the technical integrity of our broadcast  
6 signals by enforcing non-interference technical standards in  
7 a fair, reasonable and timely manner.

8 I'd like to point out that WUNC recently incurred  
9 an expensive and lengthy technical challenge at the FCC  
10 against an interfering translator station. I also want to  
11 point out that most public stations do not have the  
12 financial or legal resources to do so.

13 We very much encourage diverse voices and  
14 viewpoints and welcome new broadcasters to the spectrum, but  
15 we also want to point out that it should not be done -- the  
16 signal should not be at the expense of existing public  
17 stations that provide excellent service to listeners.

18 I also wish in closing to pay tribute to UNC  
19 television, public television stations serving more than two  
20 million viewers every week across the state, and also to the  
21 public TV station and the public radio station here in  
22 Charlotte. Their stewardship to the community sets a  
23 standard that is the envy of public television and radio  
24 broadcasters across the country.

25 My fuller statement is being submitted for the

1 record along with a voluminous set of letters from listeners  
2 and viewers to the local public -- to their local radio and  
3 television stations talking about the service that has been  
4 provided, and I thank you very much for this opportunity.

5 (Applause.)

6 CHAIRMAN POWELL: Thank you for your presentation  
7 and we'll now allow questions of the panelists. And if you  
8 haven't filled out your card, please do so and send them  
9 forward. I invite my colleagues to ask any questions they  
10 might have.

11 I'd like to start with a question at least for the  
12 two commercial broadcasters and I think even public  
13 broadcasting would have something to say about it.

14 On the way down in the plane I was reading a  
15 number of E-mails that we've already begun to receive at our  
16 localism site about this area, and I want to read one  
17 criticism and ask a question about it.

18 This local resident writes: "I'd like to state my  
19 support for any initiative which allows more local  
20 controlled media outlet. The trend has been away from  
21 anything local in the way of radio broadcast. Every day we  
22 hear about radio stations being bought up by conglomerates,  
23 in many cases, American corporations.

24 Who's to say that they're -- what their agendas  
25 really are? They certainly don't have local community

1 interest at heart, and the end result is driving out local  
2 culture. The corporation's, by necessities, desire is to  
3 increase its bottom line, and that's inherently incompatible  
4 with local interests."

5 A lot of times that is the sentiment that  
6 underlies the tension between commercial or corporate  
7 broadcasting and the public interest, that they are in some  
8 sense incompatible, that somehow serving the bottom line or  
9 being profitable is not consistent with that.

10 And I'd ask all of you to comment on that or offer  
11 some dimension to that if you'd like. I'd even be willing  
12 to bet that there are broadcasters on the other side who  
13 wish to speak to it to answer.

14 MR. KEELOR: Well, I'll attempt to answer that. I  
15 think first of all one of the distressful things we see in  
16 television in a lot of the small markets is given the cost  
17 of competition and operation and particularly with the  
18 digital conversion, a lot of small market owners are in  
19 financial trouble.

20 That is, they make a profit, but they do not have  
21 the kind of resources to invest in the kind of services they  
22 might like to have. Those are individual cases. I will  
23 speak only to my own company.

24 I am proud to say that if you went into any of our  
25 markets, I don't think anyone in the market would know who

1 Liberty Corporation is, and we designed it that way. We try  
2 very hard not to be a corporate entity. We are local  
3 television stations. Our local managers head the United  
4 Way, we do Red Cross blood drives, we do all those things  
5 that identifies us in the community.

6           So in Liberty Corporation's -- at least in our  
7 situation, I don't think that really applies because in our  
8 markets other than the little disclaimer we put up at the  
9 end of the newscasts that, you know, owned by Liberty  
10 Corporation, which is required by law as identification, no  
11 one knows who we are, and we like it that way.

12           We want them to know who the local management, the  
13 local talent, the local programming and the local station  
14 are.

15           MS. KWEI: Just to kind of follow up on that, I  
16 would agree and I think most of the FM broadcast radio  
17 stations in the market pretty much do the same thing, and  
18 that is we all stamp, if you will, our local stations versus  
19 our company headquarters. When we're on the air we speak of  
20 our individual stations, not the corporate owners.

21           Just to kind of follow up on what you said, I  
22 totally -- I agree with you somewhat and I agree with that  
23 person somewhat because I think that there is always, always  
24 a striving on our part to do better. I don't think any  
25 broadcaster in this room or elsewhere can honestly sit and

1 say that they're doing everything right.

2 On a day-to-day basis we sit and we meet locally,  
3 I think our COO and our director of sales nationally meet  
4 daily, weekly, trying to figure out ways and find ways in  
5 which we can do a better job.

6 Revenue is a big part of what we do. We are  
7 commercial radio stations, but at the same time we have a  
8 responsibility. In our case we have a responsibility to the  
9 community at large, we have a responsibility to the African-  
10 American community to uphold certain standards, to follow  
11 policies and guidelines set by the FCC, which we all do, and  
12 again, we try our best to do it better on a day-to-day  
13 basis.

14 So I hear that person loud and clear, and I think  
15 it would be very easy for us to sit here and say that that's  
16 not true, where what I think we're trying to say is to a  
17 certain degree it is true, but we have to do a better job  
18 daily in trying to overcome that.

19 MS. ROSE: Even as a public broadcaster certainly  
20 we can do more to reflect our local community. However, I  
21 think we are naturally aligned in the fact that our  
22 contributions and our operating dollars largely come from  
23 individual listeners. So to the extent that our programming  
24 is responsive to their needs, they will contribute. And if  
25 they don't contribute, then we know we are not meeting their

1 needs.

2           We get a report card very quickly on that, so I  
3 would say I would agree with the other speakers that we  
4 could do more certainly and we intend to as our resources  
5 grow and as we meet the needs of listeners we anticipate the  
6 contributions will increase.

7           COMMISSIONER COPPS: Let me just ask one question  
8 while we wait for the cards, and I'll ask it of Jim Keelor.

9       The right of a local station or an affiliated station to  
10 reject a program strikes a lot of people, including me, as  
11 integral to preserving localism and this raises its head  
12 particularly in the matter of indecent programming that  
13 might be contrary to the values of a community.

14           How important is the right to reject and is it a  
15 problem for you or for other independent stations that you  
16 know of to reject a network feed that you deem unacceptable  
17 to the values of the local community?

18           MR. KEELOR: Well, Commissioner Copps, I think  
19 you're correct in that the right to reject rule for 50 years  
20 the Commission has recognized that as a core of localism and  
21 we'd like to see that continued.

22           The dynamics of the network affiliate relationship  
23 changed so much that it is more difficult to preempt network  
24 programming. But I think you also have to realize that the  
25 right to reject rule insists that the licensee is really the

1 sole determiner of the quality and content of a program for  
2 the local market.

3           And there are also times when a local program, be  
4 it a high school championship, a student debate, a town hall  
5 meeting, might take precedent over a network program. And  
6 that -- I'm not talking about a news event now, I'm talking  
7 about a community event. And I think a station should have  
8 the right to reject to do that.

9           In the dynamics that exist today, it is difficult  
10 to make that happen and getting more difficult. And I think  
11 that's why the affiliated stations group filed a petition to  
12 the Commission more than two years ago asking them to simply  
13 reaffirm, not create new law, but reaffirmed what has been a  
14 fifty year tradition of the right to reject.

15           And the petition is still there and has not been  
16 acted on, and I think that if you really want to see  
17 something that can drive localism and ensure it for the  
18 future, we would like to see the Commission clarify and  
19 reaffirm its fifty year support of the right to reject rule.

20           COMMISSIONER ADELSTEIN: Ms. Merritt, you said  
21 something that caught my attention. You said essentially  
22 that you have to pay for play on radio, that the label or  
23 you are forced to pay. That's commonly known as payola.

24           I'm wondering if you understand that's a violation  
25 of the law, that --



1 MS. MERRITT: Do you mean do I understand?

2 COMMISSIONER ADELSTEIN: Well, you --

3 MS. MERRITT: I have not violated the law. I  
4 understand it.

5 COMMISSIONER ADELSTEIN: Let me explain to you the  
6 situation, that the law requires that if a station requires  
7 payment for play of something on the radio, that that be  
8 disclosed. Now, that's pretty much acceptable for that to  
9 happen, but the station has to say brought to you by EMI  
10 Records is such and such an artist.

11 Now, you mentioned this was a line item on your  
12 statement as if they were charging you directly, and I'm  
13 just wondering if you're suggesting that payola is keeping  
14 local artists like yourself off of the radio.

15 MS. MERRITT: Well, there's a system in place and  
16 it's absolutely naive to think that pay for play doesn't go  
17 on. There are elaborate ways of independent promotion, that  
18 this completely happens. I'd like to cite an Observer  
19 article from Saturday, October 18th, about country radio.

20 And it says: "but Logan, the first subject in  
21 this, acknowledged that many veteran acts, veteran musical  
22 acts, now record for small independent labels that don't  
23 have a lot of promotional muscle."

24 I'll ask you, what do you think promotional muscle  
25 is? I think it's money; right? I mean, maybe you should

1 call these guys and ask them too, but there is certainly a  
2 system in place. You know, I've heard of people getting a  
3 bill from a radio station when they were played.

4 COMMISSIONER ADELSTEIN: That's something that  
5 deserves further investigation. Certainly I'll follow up  
6 this question to you, Joan Siefert Rose.

7 You said that Tift Merritt could be heard on WUNC.  
8 Do you think that has anything to do with the fact that  
9 you're a non-commercial station so obviously payola doesn't  
10 enter the picture? I mean, does that possibly have to do  
11 with any evidence of this kind of activity in the radio  
12 business?

13 MS. ROSE: You know, I really can't speak on  
14 behalf of commercial broadcasters here. I only know that  
15 our policies are to give exposure to local artists. This is  
16 part of our mandate as a non-commercial station.

17 And one of the programs that we have on the  
18 weekend really focuses on traditional music and bluegrass  
19 music and country music for the area. So Tift is a very  
20 logical artist for us to play, very popular with our  
21 listeners. So in our case we really are motivated to  
22 provide talent and recordings that we think would be  
23 something that our listeners would like to hear, and that's  
24 about as simple as it gets.

25 CHAIRMAN POWELL: I'd like to read a couple

1 questions here. I'd like to read two of them and then maybe  
2 we'll go into the open mike session and continue the  
3 discussion.

4           The first is for Mr. Keelor. It's in reference to  
5 free time for candidates during debates and candidate  
6 interviews.

7           "Isn't it a legal requirement for licensing in  
8 exchange for use of the public airwaves? What measures do  
9 you take to ensure fair and equal airtime for all  
10 candidates, and does that include third-party candidates?"

11           MR. KEELOR: It does, sir. All of the Liberty  
12 stations during the last mayoral elections offered  
13 candidates free time in various formats other than  
14 newscasts. A five, three-minute, two-minute segment where  
15 they could come in and tape any statement they wanted to  
16 make and it would be carried in various day parts; some in  
17 prime, some late night, some early and so forth. So we made  
18 that effort.

19           We've also opened up, and we were disappointed by  
20 the candidates' response to our offer of a free internet  
21 platform. We asked them to put their campaign positions,  
22 their bios and so forth on our websites. And because our  
23 stations are, for the most part, I think 13 of 15 are number  
24 one stations, we drive a lot of viewers to our websites. And  
25 we were disappointed that only one or two took advantage of

1 that.

2 I think my point here is we have multiple  
3 platforms now to make candidates available. If we can get  
4 digital up and running and can multicast, I see a huge  
5 opportunity for us to provide more airtime to candidates  
6 using the digital spectrum, and I think that's in our  
7 company's game plan.

8 So free time is something we do routinely. We  
9 certainly provide a lot of coverage during our newscasts.  
10 We have done live debates which have been picked up by  
11 national networks and we have offered our website. So we're  
12 trying to give them multiple platforms. We do not always  
13 get the cooperation of the candidates that we would like to  
14 get.

15 CHAIRMAN POWELL: Thank you. A second question  
16 which I think is interesting: "Will calls for more public  
17 service from broadcast stations be used as an excuse to  
18 punish smaller stations not affiliated with large  
19 corporations?

20 For example, a small and independent station has a  
21 much harder time maintaining profits than a corporate  
22 affiliated station that can afford to run at a loss by  
23 borrowing profits from other partner stations. For that  
24 reason corporate stations must be held to a higher  
25 standard."

1           What I think is interesting in the question is the  
2 suggestion that if there were government mandates for public  
3 interest obligations, should they be in some ways graduated,  
4 given the nature of the station; that a smaller station  
5 under perhaps greater financial difficulty would have fewer  
6 public interest obligations.

7           MR. KEELOR: What I was alluding to before in the  
8 smaller markets is that to provide good service, you must  
9 have the resources to do so. And the fifth station, the WB  
10 station in Sioux City, Iowa may not have those resources.

11           I think public interest standards in some degree  
12 are acceptable. I don't object to them philosophically.  
13 What I have always objected to them is the basis that they  
14 are terrible administrative burdens, and that we spend so  
15 much time administering what the government wants done that  
16 we could be devoting to serving the public. That's been my  
17 concern with going back to the Fairness Doctrine and various  
18 other things.

19           But to answer specifically, I think they need to  
20 be applied uniformly if you're going to have them. I  
21 question to what degree you need them. The Commission  
22 obviously in the past several years has believed we do not.

23           CHAIRMAN POWELL: The next question, -- and we'll  
24 take a few minutes to get through more of these before we go  
25 to open mic since they are also from the audience.

1           The question here, to discuss the personal attack  
2 regulations: "If a radio station broadcasts a personal  
3 attack on a non-public figure, is the station required to  
4 provide a copy of the attack to the individual? What are  
5 the penalties for not following the personal attack  
6 regulation?"

7           I believe I can answer this question. The  
8 Commission had personal attack rules which were ultimately  
9 struck down in court and don't currently exist in the  
10 Commission rules as a consequence of a case called RTNDA  
11 (phonetic), if I recall correctly, so regrettably we don't  
12 have rules that we're capable of enforcing in that area at  
13 the moment.

14           In order to criticize the Chair, I should ask this  
15 question. "Why are the questions from the audience being  
16 filtered by the staff members before they get to the  
17 Commissioners?"

18           (Laughter.)

19           CHAIRMAN POWELL: I don't know. I hope they're  
20 not. We'll do the best we can to get to all the questions  
21 fairly, and you'll be provided with open mic time and nobody  
22 will be filtering through the microphone. So if we are, I  
23 apologize for that.

24           A question for our broadcast owners: "What  
25 efforts do you take to try to inform your employees about a

1 station's -- from the station's perspective about guidelines  
2 for airing local artists? Do you have some outlines or  
3 training for employees to help with this?"

4 MS. KWEI: Yes, we do. And I have to tell you,  
5 over the last several months or the last, really, last year  
6 it's gotten a lot better where we have a -- we have some  
7 standards set in place where weekly our program directors  
8 and our music directors are instructed by myself, the  
9 general manager, and it comes from the headquarters, that we  
10 have to allow access for local artists and independent  
11 labels to pitch their product, quite frankly. We do that on  
12 a weekly basis.

13 Often times it may be a face-to-face meeting or it  
14 may be a phone conversation, but we have put those measures  
15 in place over the last several months in an effort, once  
16 again, to do better.

17 We have a program, as I mentioned in my opening  
18 statement, on Sunday evenings called Heat From the Street,  
19 and it is hosted by some young local people, and the primary  
20 goal of that program a lot like the bluegrass program, is to  
21 provide a platform for local artists to be heard.

22 We listen for what the public wants, and often  
23 times -- and I did mention this one artist named Sherica, --  
24 we will hear a lot of rave reviews from some particular  
25 artist that will end up getting play on our radio station.

1 Or in our cases we have invited a lot of our local artists  
2 who have risen to that point to perform at some of our  
3 events.

4 So those are some of the efforts that we have  
5 instituted to make sure that we're doing the best that we  
6 can, and again on a day-to-day basis trying to get better.

7 CHAIRMAN POWELL: "What ideas do any of you have  
8 as broadcasters to make local coverage of local political  
9 campaigns a lot more interesting?

10 From my perspective, simply airing debates isn't  
11 enough, and ads often turn voters off. Can anyone be more  
12 creative?" Good luck with that one.

13 (Laughter.)

14 MR. KEELOR: Sometimes we're the victims of the  
15 subject matter we have to cover.

16 (Applause.)

17 Ironically, because we are not a newspaper and you  
18 cannot print another page, we have a finite amount of  
19 airtime and a finite amount of commercial time. And it is  
20 true in our stations' cases that we are not able to devote  
21 as much time to maybe to the agricultural secretary race or  
22 something like that, that we do the county commission, city  
23 council and so forth. I think we have to prioritize and I  
24 think the public understands that.

25 But the invitation that we made for free time went



1 out to all candidates and the internet offer went out to all  
2 candidates. So that's when we were really disappointed that  
3 we really didn't get access to that because I think it's our  
4 obligation to provide access and to provide the platform,  
5 but I don't see any way we can make the candidates come or  
6 make the people see it.

7 MS. ROSE: In our case we do have some long form  
8 interview programs also where candidates have a chance to  
9 talk at length about their platforms and interests. We tend  
10 to focus on larger races, senate races, statewide races or  
11 congressional races as opposed to township races. But that  
12 opportunity is there, particularly when a race is heated.

13 CHAIRMAN POWELL: To Ms. Merritt, there's a  
14 question for you. "What other means can be used to keep the  
15 airwaves free other than having to rely on commercial  
16 advertising?"

17 MS. MERRITT: Well, commercial advertising, do you  
18 mean air play?

19 CHAIRMAN POWELL: I don't know.

20 MS. MERRITT: It's kind of the same thing, isn't  
21 it?

22 CHAIRMAN POWELL: Well, if I can elaborate.

23 MS. MERRITT: Please do.

24 CHAIRMAN POWELL: I'm reading the mind of someone,  
25 but I think the suggestion is one thing that we keep in mind

1 is that in our system of broadcasting, the government  
2 doesn't fund or subsidize the media at all.

3 In a lot of countries, like Commissioner Adelstein  
4 mentioned, in England, the government deals with a lot of  
5 the concerns we're raising by having a government-sponsored  
6 medium, the BBC. Citizens are taxed roughly \$150 per year,  
7 regardless if they're watching in order to subsidize the  
8 cost of that programming.

9 And we certainly have public broadcasting in the  
10 United States, so the commercial motives of advertising are  
11 absolutely essential to the survival of stations in our  
12 system. So I guess maybe someone's reacting to your point  
13 about advertising and being all they care about.

14 MR. KEELOR: Mr. Chairman, --

15 MS. MERRITT: Well, it's my turn.

16 MR. KEELOR: Go ahead.

17 MS. MERRITT: I, you know, I really am just taking  
18 what the Clear Channel president said, so I'm not changing  
19 his words and, you know, I think that my impression was I'm  
20 very confused about what the question was.

21 Are there other means for me besides the radio?  
22 Yes, there certainly are. And if you'll read my bio, I  
23 think you'll see that I have used them very well. I tour  
24 all around the country and in Europe, and I get a lot of  
25 exposure in magazines.

1                   Unfortunately it's very difficult to even break  
2 even as a musician, and there is no contesting that the  
3 radio is the main source that people turn to when they want  
4 to hear a song. And so as a musician and my colleagues who  
5 are musicians and artists, to have access to that medium  
6 defiltered for the majority in this country through two or  
7 three large companies really means that our chances are  
8 very, very slim.

9                   And, you know, I agree with you, Commissioner,  
10 that I'm very proud that the government does not get  
11 involved with radio in this country, that the media is run  
12 on its own, that it's not a government media.

13                   But by the same hand, these companies are really  
14 being allowed to go -- they are given -- right now they have  
15 protection because they can become as large as they want and  
16 they can be concerned with their bottom line, when really  
17 what the FCC in my opinion, humble opinion, is about is  
18 protecting the airwaves and the people and not these larger  
19 companies and their interest in profit. And, you know, I  
20 think it's great that they're doing well, but their job is  
21 content.

22                   CHAIRMAN POWELL: I'm going to ask two more  
23 questions and then we're going to start with the open mic  
24 session.

25                   Without public service, specific public service

1 performance standards, how do you as broadcasters know how  
2 to meet and exceed community expectations?

3 MS. KWEI: Well, in our situation there may not be  
4 particular guidelines, but quite frankly our company sets  
5 their own guidelines and what our expectations are on a  
6 local level. Radio One expects us to provide a certain  
7 amount of public service airtime for local organizations,  
8 organizations, events, fundraising and things of that  
9 nature.

10 We also, as part of our marketing and promotions  
11 department, and I would say this is probably station by  
12 station, we reach out to local organizations monthly and  
13 annually trying to find opportunities in which we can help  
14 them get the word out about their particular event, in some  
15 cases partner up with them and make their event even larger  
16 than what it might have not been had it not been for Radio  
17 One's involvement.

18 So again, just in our isolated situation we're  
19 told, quite frankly, what the expectation is. And it's up  
20 to me as the general manager to make sure on a day-to-day  
21 basis that we're delivering that expectation.

22 CHAIRMAN POWELL: And finally we're asked this  
23 question, because I want to take a chance and answer it.  
24 "Local ownership has lost control and diversity. We need  
25 efforts there to ensure minority ownership and more

1 programming diversity. What could we do?"

2 I wanted to use that question to take an  
3 opportunity to talk about the FCC recently launched a  
4 diversity task force, or what we call a federal advisory  
5 committee, that is focused intensely on the question of  
6 minority and female roles in the media and the  
7 communications industry at large.

8 It's composed by leading citizens throughout the  
9 country who are dedicated to a successful commitment to  
10 diversity. They had their first meeting and are actively  
11 working on policies and recommendations to the Commission  
12 and the government that we can follow consistent with the  
13 legal restraints to promote diversity.

14 And I know that Congressman Watt mentioned the  
15 importance of that, and I want to invite his participation  
16 in that and let you all know that and answer that question.

17 So with that, Madam Secretary, why don't you  
18 announce for us the procedures for the open mic and we'll  
19 proceed to that section?

20 SECRETARY DORTCH: Thank you, Mr. Chairman.  
21 Members of the audience who wish to speak should line up at  
22 the nearest lectern. We will alternate lecterns during the  
23 session. If you are in the overflow rooms and wish to  
24 speak, please come to the meeting chamber and we will  
25 accommodate as many as the fire marshall permits. A staff

1 member at each lectern will let you know when it is your  
2 turn to speak.

3 In the interest of letting as many people present  
4 their views as possible, speakers should limit their remarks  
5 to no more than two minutes. The green light will signal  
6 for the first one and a half minutes. When the yellow light  
7 signals, you will have thirty seconds to sum up your  
8 remarks.

9 Please try to observe these minutes. We also ask  
10 that you turn off your cell phones. Thank you.

11 CHAIRMAN POWELL: Yes, sir.

12 MR. RASH: Mr. Chairman, my name is Dennis Rash.  
13 I am chairman of the North Carolina Bicycle Committee, and  
14 if I may add a word of welcome to Charlotte and North  
15 Carolina.

16 The North Carolina Bicycle Committee was created  
17 by the North Carolina General Assembly to assist local  
18 governments in developing policies and standards for  
19 planning and maintaining and operating bikeways safely  
20 across North Carolina. We're advisory to the Secretary of  
21 the Department of Transportation and to the Board of  
22 Transportation in furtherance of this policy.

23 North Carolina has the second largest state  
24 maintained road system in the United States. We are  
25 specifically charged with representing the interests of